

(Date)

Department of Education's Intent to Collect Debt  
By Treasury Offset Against your Federal Pay

In December 2009, the U.S. Department of Education (Department) referred your defaulted student loan and/or grant debt(s) to the U.S. Department of the Treasury (Treasury) for offset against Federal and State monies due you, which include, but are not limited to, Federal and State income tax refunds, Social Security benefits, and Federal travel reimbursements. Prior to referring your debt to Treasury for offset, the Department sent you a Notice of Proposed Treasury Offset against All Payment Streams Authorized by Law, Either Currently or in the Future ("Notice of Proposed Treasury Offset"), which included a Debt Statement that listed the student loans and/or grant claims that the Department intended to refer to Treasury. The statement included the principal and interest of the debt(s) eligible for offset at that time and explained that the Department would include interest that accrues on the debt(s) in the amount to be collected by offset, as well as any amount that was refunded after the date of the notice. The Department referred your debt of \$\_\_\_\_\_ to Treasury. This amount is the outstanding principal and interest owed on the referred debts only. Interest continues to accrue on a daily basis, based on the applicable interest rate, and this amount may be increased accordingly.

You may owe other debts, such as debts held by a lender or guaranty agency, or debts held by the Department that have not been referred to Treasury, that are not included in this balance. You remain responsible for repayment of those debts. If we later intend to collect those debts through offset, we will notify you.

You have been identified as a Federal employee. As explained in the Notice of Proposed Treasury Offset, in addition to offset against Federal and State tax refunds and other payments, debts may be collected by offset of up to 15% of a Federal employee's current disposable pay ("salary offset"). The Department intends to request that Treasury offset 15% of your disposable pay. Before making this request, the Department is providing you with this notice and opportunity to object to collection of your debt through salary offset.

Please read the enclosed Notice of Proposed Federal Salary Offset for an explanation of your rights and responsibilities and the manner in which you must exercise them to avoid salary offset.

You may request copies of documents regarding your defaulted debt(s) held by the Department. See the enclosed Notice of Proposed Federal Salary Offset for instructions on how to request these documents and other pertinent information.

If you do not respond to this letter within 65 days, your Federal salary (or lump sum payment) will be offset at the rate of 15% of your disposable pay per pay period, plus a servicing fee and accrued interest, until the amount certified for offset is paid in full.

Disposable pay, for purposes of this offset, has been defined as the amount that remains from an employee's Federal pay after required deductions for Federal, State, and local income taxes; social security taxes, including Medicare taxes, Federal Retirement Programs, premiums for basic life insurance and health insurance benefits; and such other deductions required by law to be withheld.

Interest and administrative costs that accrue on the amount the Department certifies, as well as any debt not certified, will be your responsibility to repay if the entire balance is not paid by offset.

To request documents related to the debt(s) or discharge application forms, make arrangements to repay the debt(s) or to object to the validity of the debt(s), you must follow the instructions in the enclosed Notice of Proposed Federal Salary Offset. All requests must be in writing and sent to:

U.S. Department of Education  
Attn: FSO Unit  
P.O. Box 617548  
Chicago, IL 60661-7548  
(312)730-1477 (option 2)

You may download discharge forms and obtain more information about: repayment terms, applying for certain types of discharges for which you may be eligible, and disputing the validity of your debt at our website – <http://www.ed.gov/offices/OSFAP/DCS/forms.html>.

**Enclosures:**

Notice of Proposed Federal Salary Offset (Employee's Rights and Responsibilities)  
Request for Hearing  
Financial Disclosure Statement (for hardship consideration)